

REFERENCE TITLE: **property tax and assessment limits**

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
Second Regular Session  
2006

## **HCR 2006**

Introduced by  
Representatives Biggs, Groe, Quelland: McLain

### **A CONCURRENT RESOLUTION**

PROPOSING AMENDMENTS TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, SECTIONS 1, 8 AND 8.1, CONSTITUTION OF ARIZONA; REPEALING ARTICLE IX, SECTIONS 18 AND 19, CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, SECTIONS 20 AND 21, CONSTITUTION OF ARIZONA; AMENDING THE CONSTITUTION OF ARIZONA BY ADDING ARTICLE IX.I; AMENDING ARTICLE XII, SECTION 7, CONSTITUTION OF ARIZONA; RELATING TO PROPERTY TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the House of Representatives of the State of Arizona, the  
2 Senate concurring:

3 1. Article IX, section 1, Constitution of Arizona, is proposed to be  
4 amended as follows if approved by the voters and on proclamation of the  
5 Governor:

6 1. Surrender of power of taxation; uniformity of taxes

7 Section 1. The power of taxation shall never be  
8 surrendered, suspended or contracted away. Except as provided  
9 by ~~section 18 of this~~ article IX.I, all taxes shall be uniform  
10 upon the same class of property within the territorial limits of  
11 the authority levying the tax, and shall be levied and collected  
12 for public purposes only.

13 2. Article IX, section 8, Constitution of Arizona, is proposed to be  
14 amended as follows if approved by the voters and on proclamation of the  
15 Governor:

16 8. Local debt limits; assent of taxpayers

17 Section 8. (1) No county, city, town, school district,  
18 or other municipal corporation shall for any purpose become  
19 indebted in any manner to an amount exceeding six per ~~centum~~  
20 CENT of the taxable property in such county, city, town, school  
21 district, or other municipal corporation, without the assent of  
22 a majority of the ~~property taxpayers, who must also in all~~  
23 ~~respects be~~ qualified electors, therein voting at an election  
24 provided by law to be held for that purpose. ~~;~~

25 (2) The value of the taxable property ~~therein to~~ SHALL be  
26 ascertained by the last PROPERTY TAX assessment. ~~for state and~~  
27 ~~county purposes, previous to incurring such indebtedness;~~  
28 ~~except, that in incorporated cities and towns assessments shall~~  
29 ~~be taken from the last assessment for city or town purposes;~~  
30 ~~provided, that~~

31 (3) Under no circumstances shall any county or school  
32 district become indebted to an amount exceeding fifteen per  
33 ~~centum~~ CENT of such taxable property, as shown by the last  
34 assessment roll. ~~thereof; and provided further, that~~

35 (4) Any incorporated city or town, with such assent, may  
36 be allowed to become indebted to a larger amount, but not  
37 exceeding twenty per ~~centum~~ CENT additional, for:

38 (a) Supplying such city or town with water, artificial  
39 light, or sewers, when the works for supplying such water,  
40 light, or sewers are or shall be owned and controlled by the  
41 municipality. ~~and for~~

42 (b) The acquisition and development by the incorporated  
43 city or town of land or interests therein for open space  
44 preserves, parks, playgrounds and recreational facilities.

1           ~~(2)~~ (5) The provisions of ~~section 18, subsections (3),~~  
2           ~~(4), (5) and (6) of this~~ article IX.I, SECTION 2 shall not apply  
3           to this section.

4           3. Article IX, section 8.1, Constitution of Arizona, is proposed to be  
5           amended as follows if approved by the voters and on proclamation of the  
6           Governor:

7           8.1. Unified school district debt limit

8           Section 8.1. (1) Notwithstanding the provisions of  
9           section 8 of this article, a unified school district may become  
10          indebted to an amount not exceeding thirty per cent of the  
11          taxable property of the school district, as shown by the last  
12          assessment roll thereof.

13          (2) For purposes of this section, a unified school  
14          district is a single school district which provides education to  
15          the area within the district for grades kindergarten through  
16          twelve and which area is not subject to taxation by any other  
17          common or high school district.

18          ~~(2)~~ (3) The provisions of ~~section 18, subsections (3),~~  
19          ~~(4), (5) and (6) of this~~ article IX.I, SECTION 2 shall not apply  
20          to this section.

21          4. Article IX, sections 18 and 19, Constitution of Arizona, are  
22          proposed to be repealed as follows if approved by the voters and on  
23          proclamation of the Governor:

24          Article IX, sections 18 and 19, Constitution of Arizona,  
25          relating to ad valorem property tax limitations, are repealed.

26          5. Article IX, section 20, Constitution of Arizona, is proposed to be  
27          amended as follows if approved by the voters and on proclamation of the  
28          Governor:

29          20. Expenditure limitation; definitions; adjustments;  
30               reporting

31          Section 20. (1) The economic estimates commission shall  
32          determine and publish prior to April 1 of each year the  
33          expenditure limitation for the following fiscal year for each  
34          county, city and town. The expenditure limitations shall be  
35          determined by adjusting the amount of actual payments of local  
36          revenues for each such political subdivision for fiscal year  
37          1979-1980 to reflect the changes in the population of each  
38          political subdivision and the cost of living. The governing  
39          board of any political subdivision shall not authorize  
40          expenditures of local revenues in excess of the limitation  
41          prescribed in this section, except as provided in subsections  
42          (2), (6) and (9) of this section.

43          (2) Expenditures in excess of the limitations determined  
44          pursuant to subsection (1) of this section may be authorized as  
45          follows:

1           (a) Upon affirmative vote of two-thirds of the members of  
2 the governing board for expenditures directly necessitated by a  
3 natural or man-made disaster declared by the governor. Any  
4 expenditures in excess of the expenditure limitation, as  
5 authorized by this paragraph, shall not affect the determination  
6 of the expenditure limitation pursuant to subsection (1) of this  
7 section in any subsequent years. Any expenditures authorized  
8 pursuant to this paragraph shall be made either in the fiscal  
9 year in which the disaster is declared or in the succeeding  
10 fiscal year.

11           (b) Upon the affirmative vote of seventy per cent of the  
12 members of the governing board for expenditures directly  
13 necessitated by a natural or man-made disaster not declared by  
14 the governor, subject to the following:

15           (i) The governing board reducing expenditures below the  
16 expenditure limitation determined pursuant to subsection (1) of  
17 this section by the amount of the excess expenditure for the  
18 fiscal year following a fiscal year in which excess expenditures  
19 were made pursuant to this paragraph; or

20           (ii) Approval of the excess expenditure by a majority of  
21 the qualified electors voting either at a special election held  
22 by the governing board or at a regularly scheduled election for  
23 the nomination or election of the members of the governing  
24 board, in the manner provided by law. If the excess expenditure  
25 is not approved by a majority of the qualified electors voting,  
26 the governing board shall for the fiscal year which immediately  
27 follows the fiscal year in which the excess expenditures are  
28 made, reduce expenditures below the expenditure limitation  
29 determined pursuant to subsection (1) of this section by the  
30 amount of the excess expenditures. Any expenditures in excess  
31 of the expenditure limitation, as authorized by this paragraph,  
32 shall not affect the determination of the expenditure limitation  
33 pursuant to subsection (1) of this section in any subsequent  
34 years. Any expenditures pursuant to this paragraph shall be  
35 made either in the fiscal year in which the disaster occurs or  
36 in the succeeding fiscal year.

37           (c) Upon affirmative vote of at least two-thirds of the  
38 members of the governing board and approval by a majority of the  
39 qualified electors voting either at a special election held by  
40 the governing board in a manner prescribed by law, or at a  
41 regularly scheduled election for the nomination or election of  
42 the members of the governing board. Such approval by a majority  
43 of the qualified electors voting shall be for a specific amount  
44 in excess of the expenditure limitation, and such approval must  
45 occur prior to the fiscal year in which the expenditure

1 limitation is to be exceeded. Any expenditures in excess of the  
2 expenditure limitation, as authorized by this subdivision, shall  
3 not affect the determination of the expenditure limitation  
4 pursuant to subsection (1) of this section, in subsequent years.

5 (3) As used in this section:

6 (a) "Base limit" means the amount of actual payments of  
7 local revenues for fiscal year 1979-1980 as used to determine  
8 the expenditure limitation pursuant to subsection (1) of this  
9 section.

10 (b) "Cost of living" means either:

11 (i) The price of goods and services as measured by the  
12 implicit price deflator for the gross national product or its  
13 successor as reported by the United States department of  
14 commerce or its successor agency.

15 (ii) A different measure or index of the cost of living  
16 adopted at the direction of the legislature, by concurrent  
17 resolution, upon affirmative vote of two-thirds of the  
18 membership of each house of the legislature. Such measure or  
19 index shall apply for subsequent fiscal years, except it shall  
20 not apply for the fiscal year following the adoption of such  
21 measure or index if the measure or index is adopted after March  
22 1 of the preceding fiscal year.

23 (c) "Expenditure" means any authorization for the payment  
24 of local revenues.

25 (d) "Local revenues" includes all monies, revenues,  
26 funds, fees, fines, penalties, tuitions, property and receipts  
27 of any kind whatsoever received by or for the account of a  
28 political subdivision or any of its agencies, departments,  
29 offices, boards, commissions, authorities, councils and  
30 institutions, except:

31 (i) Any amounts or property received from the issuance or  
32 incurrence of bonds or other lawful long-term obligations issued  
33 or incurred for a specific purpose, or collected or segregated  
34 to make payments or deposits required by a contract concerning  
35 such bonds or obligations. For the purpose of this subdivision  
36 long-term obligations shall not include warrants issued in the  
37 ordinary course of operation or registered for payment, by a  
38 political subdivision.

39 (ii) Any amounts or property received as payment of  
40 dividends or interest, or any gain on the sale or redemption of  
41 investment securities, the purchase of which is authorized by  
42 law.

43 (iii) Any amounts or property received by a political  
44 subdivision in the capacity of trustee, custodian or agent.

1 (iv) Any amounts received as grants and aid of any type  
2 received from the federal government or any of its agencies.

3 (v) Any amounts received as grants, aid, contributions or  
4 gifts of any type except amounts received directly or indirectly  
5 in lieu of taxes received directly or indirectly from any  
6 private agency or organization or any individual.

7 (vi) Any amounts received from the state which are  
8 included within the appropriation limitation prescribed in  
9 section 17 of this article.

10 (vii) Any amounts received pursuant to a transfer during  
11 a fiscal year from another agency, department, office, board,  
12 commission, authority, council or institution of the same  
13 political subdivision which were included as local revenues for  
14 such fiscal year or which are excluded from local revenue under  
15 other provisions of this section.

16 (viii) Any amounts or property accumulated for the  
17 purpose of purchasing land, buildings or improvements or  
18 constructing buildings or improvements, if such accumulation and  
19 purpose have been approved by the voters of the political  
20 subdivision.

21 (ix) Any amounts received pursuant to section 14 of this  
22 article which are greater than the amount received in fiscal  
23 year 1979-1980.

24 (x) Any amounts received in return for goods or services  
25 pursuant to a contract with another political subdivision,  
26 school district, community college district or the state, and  
27 expended by the other political subdivision, school district,  
28 community college district or the state pursuant to the  
29 expenditure limitation in effect when the amounts are expended  
30 by the other political subdivision, school district, community  
31 college district or the state.

32 (xi) Any amounts expended for the construction,  
33 reconstruction, operation or maintenance of a hospital  
34 financially supported by a city or town prior to January 1,  
35 1980.

36 (xii) Any amounts or property collected to pay the  
37 principal of and interest on any warrants issued by a political  
38 subdivision and outstanding as of July 1, 1979.

39 (xiii) Any amounts received during a fiscal year as  
40 refunds, reimbursements or other recoveries of amounts expended  
41 which were applied against the expenditure limitation for such  
42 fiscal year or which were excluded from local revenues under  
43 other provisions of this subsection.

44 (xiv) Any amounts received collected by the counties for  
45 distribution to school districts pursuant to state law.

1           (e) "Political subdivision" means any county, city or  
2 town. This definition applies only to this section and does not  
3 otherwise modify the commonly accepted definition of political  
4 subdivision.

5           (f) "Population" means either:

6           (i) The periodic census conducted by the United States  
7 department of commerce or its successor agency, or the annual  
8 update of such census by the department of economic security or  
9 its successor agency.

10          (ii) A different measure or index of population adopted  
11 at the direction of the legislature, by concurrent resolution,  
12 upon affirmative vote of two-thirds of the membership of each  
13 house of the legislature. Such measure or index shall apply for  
14 subsequent fiscal years, except it shall not apply for the  
15 fiscal year following the adoption of such measure or index if  
16 the measure or index is adopted after March 1 of the preceding  
17 fiscal year.

18          (4) The economic estimates commission shall adjust the  
19 base limit to reflect subsequent transfers of all or any part of  
20 the cost of providing a governmental function, in a manner  
21 prescribed by law. The adjustment provided for in this  
22 subsection shall be used in determining the expenditure  
23 limitation pursuant to subsection (1) of this section beginning  
24 with the fiscal year immediately following the transfer.

25          (5) The economic estimates commission shall adjust the  
26 base limit to reflect any subsequent annexation, creation of a  
27 new political subdivision, consolidation or change in the  
28 boundaries of a political subdivision, in a manner prescribed by  
29 law. The adjustment provided for in this subsection shall be  
30 used in determining the expenditure limitation pursuant to  
31 subsection (1) of this section beginning with the fiscal year  
32 immediately following the annexation, creation of a new  
33 political subdivision, consolidation or change in the boundaries  
34 of a political subdivision.

35          (6) Any political subdivision may adjust the base limit  
36 by the affirmative vote of two-thirds of the members of the  
37 governing board or by initiative, in the manner provided by law,  
38 and in either instance by approval of the proposed adjustment by  
39 a majority of the qualified electors voting at a regularly  
40 scheduled general election or at a nonpartisan election held for  
41 the nomination or election of the members of the governing  
42 board. The impact of the modification of the expenditure  
43 limitation shall appear on the ballot and in publicity  
44 pamphlets, as provided by law. Any adjustment, pursuant to this  
45 subsection, of the base limit shall be used in determining the

1 expenditure limitation pursuant to subsection (1) of this  
2 section beginning with the fiscal year immediately following the  
3 approval, as provided by law.

4 (7) The legislature shall provide for expenditure  
5 limitations for such special districts as it deems necessary.

6 (8) The legislature shall establish by law a uniform  
7 reporting system for all political subdivisions or special  
8 districts subject to an expenditure limitation pursuant to this  
9 section to ~~insure~~ ENSURE compliance with this section. The  
10 legislature shall establish by law sanctions and penalties for  
11 failure to comply with this section.

12 (9) Subsection (1) of this section does not apply to a  
13 city or town which at a regularly scheduled election for the  
14 nomination or election of members of the governing board of the  
15 city or town adopts an expenditure limitation pursuant to this  
16 subsection different from the expenditure limitation prescribed  
17 by subsection (1) of this section. The governing board of a  
18 city or town may by a two-thirds vote provide for referral of an  
19 alternative expenditure limitation or the qualified electors may  
20 by initiative, in the manner provided by law, propose an  
21 alternative expenditure limitation. In a manner provided by  
22 law, the impact of the alternative expenditure limitation shall  
23 be compared to the impact of the expenditure limitation  
24 prescribed by subsection (1) of this section, and the comparison  
25 shall appear on the ballot and in publicity pamphlets. If a  
26 majority of the qualified electors voting on such issue vote in  
27 favor of the alternative expenditure limitation, such limitation  
28 shall apply to the city or town. If more than one alternative  
29 expenditure limitation is on the ballot and more than one  
30 alternative expenditure limitation is approved by the voters,  
31 the alternative expenditure limitation receiving the highest  
32 number of votes shall apply to such city or town. If an  
33 alternative expenditure limitation is adopted, it shall apply  
34 for the four succeeding fiscal years. Following the fourth  
35 succeeding fiscal year, the expenditure limitation prescribed by  
36 subsection (1) of this section shall become the expenditure  
37 limitation for the city or town unless an alternative  
38 expenditure limitation is approved as provided in this  
39 subsection. If a majority of the qualified electors voting on  
40 such issue vote against an alternative expenditure limitation,  
41 the expenditure limitation prescribed pursuant to subsection (1)  
42 of this section shall apply to the city or town, and no new  
43 alternative expenditure limitation may be submitted to the  
44 voters for a period of at least two years. ~~If an alternative~~  
45 ~~expenditure limitation is adopted pursuant to this subsection,~~

~~the city or town may not conduct an override election provided for in section 19, subsection (4) of this article, during the time period in which the alternative expenditure limitation is in effect.~~

(10) This section does not apply to any political subdivision until the fiscal year immediately following the first regularly scheduled election ~~after July 1, 1980~~ for the nomination or election of the members of the governing board of such political subdivision, except that a political subdivision, prior to the fiscal year during which the spending limitation would first become effective, may modify the expenditure limitation prescribed pursuant to subsection (1) of this section, by the provisions prescribed by subsections (2) and (6) of this section, or may adopt an alternative expenditure limitation pursuant to subsection (9) of this section.

~~A county may conduct a special election to exceed the expenditure limitation prescribed pursuant to subsection (1) of this section for the fiscal years 1982-1983 and 1983-1984, on the first Tuesday after the first Monday in November in 1981.~~

(11) "City", as used in this article, means city or charter city.

6. Article IX, section 21, Constitution of Arizona, is proposed to be amended as follows if approved by the voters and on proclamation of the Governor:

21. Expenditure limitations for school districts and community college districts

Section 21. (1) The economic estimates commission shall determine and publish prior to April 1 of each year the expenditure limitation for the following fiscal year for each community college district. The expenditure limitations shall be determined by adjusting the amount of expenditures of local revenues for each such district for fiscal year 1979-1980 to reflect the changes in the student population of each district and the cost of living. The governing board of any community college district shall not authorize expenditures of local revenues in excess of the limitation prescribed in this section, except in the manner provided by law.

(2) The economic estimates commission shall determine and publish prior to May 1 of each year the aggregate expenditure limitation for all school districts for the following fiscal year. The aggregate expenditure limitation shall be determined by adjusting the total amount of expenditures of local revenues for all school districts for fiscal year 1979-1980 to reflect the changes in student population in the school districts and the cost of living, and multiplying the result by 1.10. The

1 aggregate expenditures of local revenues for all school  
2 districts shall not exceed the limitation prescribed in this  
3 section, except as provided in subsection (3) of this section.

4 (3) Expenditures in excess of the limitation determined  
5 pursuant to subsection (2) of this section may be authorized by  
6 the legislature for a single fiscal year, by concurrent  
7 resolution, upon affirmative vote of two-thirds of the  
8 membership of each house of the legislature.

9 (4) As used in this section:

10 (a) "Cost of living" means either:

11 (i) The price of goods and services as measured by the  
12 implicit price deflator for the gross national product or its  
13 successor as reported by the United States department of  
14 commerce, or its successor agency.

15 (ii) A different measure or index of the cost of living  
16 adopted at the direction of the legislature, by concurrent  
17 resolution, upon affirmative vote of two-thirds of the  
18 membership of each house of the legislature. Such measure or  
19 index shall apply for subsequent fiscal years, except it shall  
20 not apply for the fiscal year following the adoption of such  
21 measure or index if the measure or index is adopted after March  
22 1 of the preceding fiscal year.

23 (b) "Expenditure" means any amounts budgeted to be paid  
24 from local revenues as prescribed by law.

25 (c) "Local revenues" includes all monies, revenues,  
26 funds, property and receipts of any kind whatsoever received by  
27 or for the account of a school district or community college  
28 district or any of its agencies, departments, offices, boards,  
29 commissions, authorities, councils and institutions, except:

30 (i) Any amounts or property received from the issuance or  
31 incurrence of bonds, or other lawful long-term obligations  
32 issued or incurred for a specific purpose, or any amounts or  
33 property collected or segregated to make payments or deposits  
34 required by a contract concerning such bonds or obligations.  
35 For the purpose of this subdivision, long-term obligations shall  
36 not include warrants issued in the ordinary course of operation  
37 or registered for payment by a political subdivision.

38 (ii) Any amounts or property received as payment of  
39 dividends and interest, or any gain on the sale or redemption of  
40 investment securities, the purchase of which is authorized by  
41 law.

42 (iii) Any amounts or property received by a school  
43 district or community college district in the capacity of  
44 trustee, custodian or agent.

1 (iv) Any amounts received as grants and aid of any type  
2 received from the federal government or any of its agencies  
3 except school assistance in federally affected areas.

4 (v) Any amounts or property received as grants, gifts,  
5 aid or contributions of any type except amounts received  
6 directly or indirectly in lieu of taxes received directly or  
7 indirectly from any private agency or organization, or any  
8 individual.

9 (vi) Any amounts received from the state for the purpose  
10 of purchasing land, buildings or improvements or constructing  
11 buildings or improvements.

12 (vii) Any amounts received pursuant to a transfer during  
13 a fiscal year from another agency, department, office, board,  
14 commission, authority, council or institution of the same  
15 community college district or school district which were  
16 included as local revenues for such fiscal year or which are  
17 excluded from local revenue under other provisions of this  
18 subsection.

19 (viii) Any amounts or property accumulated by a community  
20 college district for the purpose of purchasing land, buildings  
21 or improvements or constructing buildings or improvements.

22 (ix) Any amounts received in return for goods or services  
23 pursuant to a contract with another political subdivision,  
24 school district, community college district or the state and  
25 expended by the other political subdivision, school district,  
26 community college district or the state pursuant to the  
27 expenditure limitation in effect when the amounts are expended  
28 by the other political subdivision, school district, community  
29 college district or the state.

30 (x) Any amounts received as tuition or fees directly or  
31 indirectly from any public or private agency or organization or  
32 any individual.

33 (xi) Any ad valorem taxes received pursuant to an  
34 election ~~to exceed the limitation prescribed by section 19 of~~  
35 ~~this article or~~ for the purposes of funding expenditures in  
36 excess of the expenditure limitations prescribed by subsection  
37 (7) of this section.

38 (xii) Any amounts received during a fiscal year as  
39 refunds, reimbursements or other recoveries of amounts expended  
40 which were applied against the expenditure limitation for such  
41 fiscal year or which were excluded from local revenues under  
42 other provisions of this subsection.

43 (d) For the purpose of subsection (2) of this section,  
44 the following items are also excluded from local revenues of  
45 school districts:

1 (i) Any amounts received as the proceeds from the sale,  
2 ~~OR lease or rental~~ **FOR ANY PERIOD OF TIME** of school property as  
3 authorized by law.

4 (ii) Any amounts received from the capital levy as  
5 authorized by law.

6 (iii) Any amounts received from the acquisition,  
7 operation, or maintenance of school services of a commercial  
8 nature which are entirely or predominantly self-supporting.

9 (iv) Any amounts received for the purpose of funding  
10 expenditures authorized in the event of destruction of or damage  
11 to the facilities of a school district as authorized by law.

12 (v) Any revenues derived from an additional state  
13 transaction privilege tax rate increment for educational  
14 purposes that was authorized by the voters before January 1,  
15 2001.

16 (vi) Any amounts received pursuant to article XI, section  
17 8, constitution of Arizona, that are approved by the majority of  
18 qualified voters at a statewide general election held after  
19 November 1, 2002, and before January 1, 2003.

20 (e) "Student population" means the number of actual,  
21 full-time or the equivalent of actual full-time students  
22 enrolled in the school district or community college district  
23 determined in a manner prescribed by law.

24 (5) The economic estimates commission shall adjust the  
25 amount of expenditures of local revenues in fiscal year  
26 1979-1980, as used to determine the expenditure limitation  
27 pursuant to subsection (1) or (2) of this section, to reflect  
28 subsequent transfers of all or any part of the cost of providing  
29 a governmental function, in a manner prescribed by law. The  
30 adjustment provided for in this subsection shall be used in  
31 determining the expenditure limitation pursuant to subsection  
32 (1) or (2) of this section beginning with the fiscal year  
33 immediately following the transfer.

34 (6) The economic estimates commission shall adjust the  
35 amount of expenditures of local revenues in fiscal year  
36 1979-1980, as used to determine the expenditure limitation of a  
37 community college district pursuant to subsection (1) of this  
38 section, to reflect any subsequent annexation, creation of a new  
39 district, consolidation or change in the boundaries of a  
40 district, in a manner prescribed by law. The adjustment  
41 provided for in this subsection shall be used in determining the  
42 expenditure limitation pursuant to subsection (1) of this  
43 section beginning with the fiscal year immediately following the  
44 annexation, creation of a new district, consolidation or change  
45 in the boundaries of a district.

1           (7) The legislature shall establish by law expenditure  
2 limitations for each school district ~~beginning with the fiscal~~  
3 ~~year beginning July 1, 1980~~. Expenditures by a school district  
4 in excess of such an expenditure limitation must be approved by  
5 a majority of the electors voting on the excess expenditures.

6           (8) The legislature shall establish by law a uniform  
7 reporting system for school districts and community college  
8 districts to ensure compliance with this section. The  
9 legislature shall establish by law sanctions and penalties for  
10 failure to comply with this section.

11       7. Article IX.I, Constitution of Arizona, is proposed to be added as  
12 follows if approved by the voters and on proclamation of the Governor:

13           ARTICLE IX.I. PROPERTY TAX AND ASSESSMENT LIMITS

14           1. Limitation on ad valorem property taxes; exceptions

15           SECTION 1. A. THE MAXIMUM AMOUNT OF ANY AD VALOREM  
16 PROPERTY TAX ON REAL PROPERTY AND IMPROVEMENTS SHALL NOT EXCEED  
17 ONE PER CENT OF THE FULL CASH VALUE OF THE PROPERTY.

18           B. THE LIMITATION PRESCRIBED BY SUBSECTION A DOES NOT  
19 APPLY TO AD VALOREM PROPERTY TAXES OR SPECIAL ASSESSMENTS LEVIED  
20 TO PAY THE PRINCIPAL OF AND INTEREST AND REDEMPTION CHARGES ON:

21           1. BONDED INDEBTEDNESS OR OTHER LAWFUL LONG-TERM  
22 OBLIGATIONS ISSUED OR INCURRED BEFORE JANUARY 1, 2007.

23           2. ANY BONDED INDEBTEDNESS OR OTHER LAWFUL LONG-TERM  
24 OBLIGATIONS FOR THE ACQUISITION OR IMPROVEMENT OF REAL PROPERTY  
25 ISSUED OR INCURRED PURSUANT TO APPROVAL BY AT LEAST TWO-THIRDS  
26 OF THE VOTES CAST BY THE QUALIFIED ELECTORS VOTING ON THE  
27 PROPOSITION.

28           3. ANY BONDED INDEBTEDNESS OR OTHER LAWFUL LONG-TERM  
29 OBLIGATIONS OF A SCHOOL DISTRICT OR COMMUNITY COLLEGE DISTRICT  
30 FOR THE CONSTRUCTION, RECONSTRUCTION, REHABILITATION,  
31 REPLACEMENT, FURNISHING OR EQUIPPING OF SCHOOL FACILITIES OR THE  
32 ACQUISITION OR LEASE OF REAL PROPERTY FOR SCHOOL FACILITIES,  
33 ISSUED OR INCURRED PURSUANT TO APPROVAL BY AT LEAST FIFTY-FIVE  
34 PER CENT OF THE VOTES CAST BY THE QUALIFIED ELECTORS OF THE  
35 DISTRICT VOTING ON THE PROPOSITION. THIS PARAGRAPH APPLIES ONLY  
36 IF THE PROPOSITION APPROVED BY THE ELECTORS AND RESULTING IN THE  
37 INDEBTEDNESS OR OBLIGATION INCLUDES ALL OF THE FOLLOWING  
38 ACCOUNTABILITY REQUIREMENTS:

39           (a) A REQUIREMENT THAT THE PROCEEDS FROM THE SALE OF THE  
40 BONDS OR OTHER OBLIGATIONS BE USED ONLY FOR THE PURPOSES  
41 SPECIFIED IN THIS PARAGRAPH AND NOT FOR ANY OTHER PURPOSE, SUCH  
42 AS EMPLOYEE COMPENSATION OR OTHER OPERATING EXPENSES.

43           (b) A LIST OF THE SPECIFIC SCHOOL FACILITY PROJECTS TO BE  
44 FUNDED AND A CERTIFICATION THAT THE DISTRICT GOVERNING BOARD HAS

1 EVALUATED SAFETY, CLASS SIZE REDUCTION AND INFORMATION  
2 TECHNOLOGY NEEDS IN DEVELOPING THAT LIST.

3 (c) A REQUIREMENT THAT THE DISTRICT GOVERNING BOARD  
4 CONDUCT AN ANNUAL INDEPENDENT PERFORMANCE AUDIT TO ENSURE THAT  
5 THE REVENUE FROM THE INDEBTEDNESS OR OBLIGATION HAS BEEN SPENT  
6 ONLY FOR THE SPECIFICALLY LISTED PROJECTS.

7 (d) A REQUIREMENT THAT THE DISTRICT GOVERNING BOARD  
8 CONDUCT AN ANNUAL INDEPENDENT FINANCIAL AUDIT OF THE REVENUE  
9 FROM THE INDEBTEDNESS OR OBLIGATION UNTIL ALL OF THE REVENUE HAS  
10 BEEN SPENT FOR THE LISTED PROJECTS.

11 2. Full cash value

12 SECTION 2. A. FOR THE PURPOSES OF COMPUTING THE  
13 LIMITATION PRESCRIBED BY SECTION 1 OF THIS ARTICLE:

14 1. "FULL CASH VALUE" MEANS EITHER:

15 (a) THE VALUATION OF REAL PROPERTY DETERMINED FOR  
16 PURPOSES OF THE 2005 TAX ROLL. IF REAL PROPERTY IS NOT ALREADY  
17 ASSESSED AT THE 2005 VALUATION, IT MAY BE REASSESSED TO REFLECT  
18 THAT VALUE.

19 (b) IN THE CASE OF NEW CONSTRUCTION OR A CHANGE IN  
20 OWNERSHIP AFTER THE 2005 VALUATION, THE APPRAISED VALUE OF THE  
21 PROPERTY IN THE FIRST YEAR THAT THE NEW CONSTRUCTION OR THE NEW  
22 OWNERSHIP APPEARS ON THE TAX ROLL.

23 2. THE FULL CASH VALUE BASE SHALL BE:

24 (a) ADJUSTED ANNUALLY ACCORDING TO CHANGES IN THE  
25 CONSUMER PRICE INDEX, OR A COMPARABLE INFLATION INDEX PRESCRIBED  
26 BY LAW, BUT SHALL NOT BE INCREASED IN ANY YEAR BY MORE THAN TWO  
27 PER CENT.

28 (b) REDUCED AS NECESSARY TO REFLECT SUBSTANTIAL DAMAGE,  
29 DESTRUCTION OR OTHER FACTORS THAT CAUSE A REDUCTION IN VALUE.

30 B. THE LEGISLATURE MAY EXCLUDE ANY OF THE FOLLOWING FROM  
31 THE DETERMINATION OF FULL CASH VALUE OR CONSIDERATION AS NEW  
32 CONSTRUCTION:

33 1. ANY ACTIVE SOLAR ENERGY SYSTEM.

34 2. ANY FIRE SPRINKLER OR OTHER FIRE EXTINGUISHING SYSTEM,  
35 FIRE DETECTION SYSTEM OR FIRE-RELATED EGRESS IMPROVEMENT.

36 3. ANY IMPROVEMENT, CONSTRUCTION, INSTALLATION OR  
37 MODIFICATION TO MAKE A SINGLE OR MULTIPLE FAMILY RESIDENTIAL  
38 PROPERTY ACCESSIBLE TO OR USABLE BY A DISABLED PERSON.

39 C. A TRANSFER OF TITLE TO REAL PROPERTY BETWEEN SPOUSES  
40 DOES NOT CONSTITUTE A CHANGE IN OWNERSHIP FOR THE PURPOSES OF  
41 THIS SECTION, INCLUDING THE FOLLOWING TRANSACTIONS:

42 1. TRANSFERS TO A TRUSTEE FOR THE BENEFICIAL USE OF A  
43 SPOUSE OR A SURVIVING SPOUSE OR FROM A TRUSTEE TO THE SPOUSE OF  
44 THE TRUSTOR.

1           2. TRANSFERS TO A SURVIVING SPOUSE THAT TAKE EFFECT ON  
2 THE DEATH OF A SPOUSE.

3           3. IN CONNECTION WITH A PROPERTY SETTLEMENT AGREEMENT, A  
4 DECREE OF DISSOLUTION OF A MARRIAGE OR A LEGAL SEPARATION:

5           (a) TRANSFERS TO A SPOUSE OR FORMER SPOUSE.

6           (b) THE DISTRIBUTION OF A LEGAL ENTITY'S PROPERTY TO A  
7 SPOUSE OR FORMER SPOUSE IN EXCHANGE FOR THE SPOUSE'S INTEREST IN  
8 THE LEGAL ENTITY.

9           4. THE CREATION, TRANSFER OR TERMINATION, SOLELY BETWEEN  
10 SPOUSES, OF ANY CO-OWNER'S INTEREST.

11          D. THE FOLLOWING TRANSFERS OF TITLE, WHETHER VOLUNTARY OR  
12 BY COURT ORDER OR JUDICIAL DECREE, DO NOT CONSTITUTE A CHANGE IN  
13 OWNERSHIP FOR THE PURPOSES OF THIS SECTION:

14          1. A TRANSFER OF THE FOLLOWING PROPERTY BETWEEN ONE OR  
15 MORE PARENTS AND ONE OR MORE OF THE PARENTS' CHILDREN:

16           (a) THE PRINCIPAL RESIDENCE OF THE TRANSFER.

17           (b) THE FIRST ONE MILLION DOLLARS OF THE FULL CASH VALUE  
18 OF ALL OTHER REAL PROPERTY.

19          2. A TRANSFER OF PROPERTY LISTED UNDER PARAGRAPH 1 OF  
20 THIS SUBSECTION BETWEEN GRANDPARENTS AND ONE OR MORE OF THEIR  
21 GRANDCHILDREN IF THE PARENT OF THE GRANDCHILDREN, WHO WAS THE  
22 CHILD OF THE GRANDPARENTS, IS DECEASED. THIS PARAGRAPH DOES NOT  
23 APPLY IN THE CASE OF A TRANSFEREE GRANDCHILD OR GRANDCHILDREN  
24 WHO ALSO RECEIVED A PRINCIPAL RESIDENCE OR INTEREST IN A  
25 PRINCIPAL RESIDENCE THROUGH ANOTHER TRANSFER THAT WAS EXCLUDABLE  
26 PURSUANT TO PARAGRAPH 1, SUBDIVISION (a) OF THIS SUBSECTION.  
27 THE FULL CASH VALUE OF ANY REAL PROPERTY, OTHER THAN A PRINCIPAL  
28 RESIDENCE, THAT WAS TRANSFERRED TO A GRANDCHILD OR GRANDCHILDREN  
29 PURSUANT TO A TRANSFER THAT WAS EXCLUDABLE UNDER PARAGRAPH 1,  
30 SUBDIVISION (b) OF THIS SUBSECTION AND THE FULL CASH VALUE OF A  
31 PRINCIPAL RESIDENCE THAT FAILS TO QUALIFY FOR EXCLUSION UNDER  
32 THIS PARAGRAPH SHALL BE INCLUDED IN APPLYING FOR THE PURPOSES OF  
33 THIS PARAGRAPH THE ONE MILLION DOLLAR FULL CASH VALUE LIMIT  
34 PRESCRIBED IN PARAGRAPH 1, SUBDIVISION (b) OF THIS SUBSECTION.

35          E. PROPERTY THAT IS RECONSTRUCTED AFTER A DISASTER AS  
36 DECLARED BY THE GOVERNOR IS NOT CONSIDERED TO BE NEW  
37 CONSTRUCTION IF THE FAIR MARKET VALUE OF THE PROPERTY AS  
38 RECONSTRUCTED IS COMPARABLE TO THE FAIR MARKET VALUE BEFORE THE  
39 DISASTER.

40          F. AN ACQUISITION OF REAL PROPERTY AS A REPLACEMENT FOR  
41 COMPARABLE PROPERTY IS NOT CONSIDERED TO BE A CHANGE IN  
42 OWNERSHIP IF BOTH OF THE FOLLOWING CONDITIONS APPLY:

43          1. THE PERSON ACQUIRING THE NEW PROPERTY HAS BEEN  
44 DISPLACED FROM THE PROPERTY REPLACED BY EMINENT DOMAIN  
45 PROCEEDINGS OR OTHER ACQUISITION BY A PUBLIC ENTITY OR ANY

1 GOVERNMENTAL ACTION THAT RESULTS IN A JUDGMENT OF INVERSE  
2 CONDEMNATION.

3 2. THE PROPERTY ACQUIRED IS SIMILAR IN SIZE, UTILITY AND  
4 FUNCTION TO THE PROPERTY REPLACED OR IF IT OTHERWISE CONFORMS TO  
5 STANDARDS PRESCRIBED BY LAW GOVERNING THE RELOCATION OF PERSONS  
6 DISPLACED BY GOVERNMENTAL ACTIONS.

7 3. Transfer of base year value

8 SECTION 3. A. THE LEGISLATURE MAY PROVIDE THAT UNDER  
9 APPROPRIATE CIRCUMSTANCES AND PURSUANT TO DEFINITIONS AND  
10 PROCEDURES ESTABLISHED BY THE LEGISLATURE, A PERSON WHO IS OVER  
11 FIFTY-FIVE YEARS OF AGE, OR WHO IS SEVERELY DISABLED, MAY  
12 TRANSFER THE BASE YEAR VALUE OF THE PERSON'S PRINCIPAL RESIDENCE  
13 IN THIS STATE TO COMPARABLE REPLACEMENT RESIDENTIAL PROPERTY OF  
14 EQUAL OR LESSER VALUE LOCATED IN THE SAME COUNTY AND PURCHASED  
15 OR NEWLY CONSTRUCTED AS THE PERSON'S PRINCIPAL RESIDENCE WITHIN  
16 TWO YEARS AFTER THE SALE OR OTHER DISPOSITION OF THE ORIGINAL  
17 PROPERTY.

18 B. THE LEGISLATURE SHALL PROVIDE THAT THE BASE YEAR VALUE  
19 OF PROPERTY THAT IS SUBSTANTIALLY DAMAGED OR DESTROYED BY A  
20 DISASTER AS DECLARED BY THE GOVERNOR MAY BE TRANSFERRED TO  
21 COMPARABLE REPLACEMENT PROPERTY IN THE SAME COUNTY THAT IS  
22 ACQUIRED OR NEWLY CONSTRUCTED WITHIN THREE YEARS AS A  
23 REPLACEMENT FOR THE SUBSTANTIALLY DAMAGED OR DESTROYED PROPERTY.  
24 TO QUALIFY FOR PURPOSES OF THIS SUBSECTION, PROPERTY MUST  
25 SUSTAIN PHYSICAL DAMAGE OR PERMANENTLY RESTRICTED ACCESS  
26 AMOUNTING TO A REDUCTION OF MORE THAN ONE-HALF OF ITS VALUE  
27 IMMEDIATELY BEFORE THE DISASTER.

28 C. THE LEGISLATURE MAY AUTHORIZE THE COUNTY BOARD OF  
29 SUPERVISORS, AFTER CONSULTATION WITH ANY AFFECTED LOCAL TAXING  
30 JURISDICTIONS IN THE COUNTY, TO ADOPT AN ORDINANCE EXTENDING THE  
31 APPLICATION OF THIS SECTION TO SITUATIONS WHERE THE ORIGINAL  
32 PROPERTY IS LOCATED IN ANOTHER COUNTY IN THIS STATE.

33 D. FOR THE PURPOSES OF THIS SECTION:

34 1. A PERSON WHO IS OVER FIFTY-FIVE YEARS OF AGE INCLUDES  
35 A MARRIED COUPLE, EITHER OF WHOM IS OVER FIFTY-FIVE YEARS OF  
36 AGE.

37 2. "REPLACEMENT RESIDENTIAL PROPERTY" MEANS A BUILDING,  
38 STRUCTURE OR OTHER SHELTER CONSTITUTING A PLACE OF ABODE,  
39 WHETHER REAL OR PERSONAL PROPERTY, AND ANY LAND ON WHICH IT IS  
40 SITUATED.

41 3. REPLACEMENT PROPERTY IS CONSIDERED TO BE COMPARABLE TO  
42 THE ORIGINAL PROPERTY IF IT IS SIMILAR IN SIZE, UTILITY AND  
43 FUNCTION TO THE PROPERTY THAT IT REPLACES AND IF THE FAIR MARKET  
44 VALUE IS EQUAL TO OR LESS THAN THE FAIR MARKET VALUE OF THE  
45 REPLACED PROPERTY.

1           4. A TWO-DWELLING UNIT IS CONSIDERED TO BE TWO SEPARATE  
2 SINGLE-FAMILY RESIDENCES.

3           4. Qualified contaminated property; transfer of base  
4 year value; repair or reconstruction of damaged  
5 structures; definition

6           SECTION 4. A. THE LEGISLATURE SHALL PROVIDE THAT EITHER,  
7 BUT NOT BOTH, OF THE FOLLOWING SHALL APPLY WITH RESPECT TO  
8 QUALIFIED CONTAMINATED PROPERTY:

9           1. THE BASE YEAR VALUE OF THE QUALIFIED CONTAMINATED  
10 PROPERTY MAY BE TRANSFERRED TO A REPLACEMENT PROPERTY THAT IS  
11 ACQUIRED OR NEWLY CONSTRUCTED AS A REPLACEMENT FOR THE QUALIFIED  
12 CONTAMINATED PROPERTY, IF THE REPLACEMENT PROPERTY:

13           (a) HAS A FAIR MARKET VALUE THAT IS EQUAL TO OR LESS THAN  
14 THE FAIR MARKET VALUE OF THE QUALIFIED CONTAMINATED PROPERTY, IF  
15 THAT PROPERTY WERE NOT CONTAMINATED.

16           (b) IS LOCATED IN THE SAME COUNTY, EXCEPT THAT THE  
17 LEGISLATURE MAY AUTHORIZE THE COUNTY BOARD OF SUPERVISORS, AFTER  
18 CONSULTATION WITH ANY AFFECTED LOCAL TAXING JURISDICTIONS IN THE  
19 COUNTY, TO ADOPT AN ORDINANCE EXTENDING THE APPLICATION OF THIS  
20 SECTION TO SITUATIONS WHERE THE ORIGINAL PROPERTY IS LOCATED IN  
21 ANOTHER COUNTY IN THIS STATE.

22           (c) IS ACQUIRED OR NEWLY CONSTRUCTED WITHIN FIVE YEARS  
23 AFTER OWNERSHIP IF THE QUALIFIED CONTAMINATED PROPERTY IS SOLD  
24 OR OTHERWISE TRANSFERRED.

25           2. IF THE REMEDIATION OF THE ENVIRONMENTAL PROBLEMS IN  
26 THE QUALIFIED CONTAMINATED PROPERTY REQUIRES THE DESTRUCTION OF,  
27 OR RESULTS IN SUBSTANTIAL DAMAGE TO, A STRUCTURE LOCATED ON THE  
28 PROPERTY, THE REPAIR OF A SUBSTANTIALLY DAMAGED STRUCTURE OR THE  
29 CONSTRUCTION OF A NEW STRUCTURE TO REPLACE A DESTROYED STRUCTURE  
30 ON THE PROPERTY DOES NOT CONSTITUTE NEW CONSTRUCTION FOR THE  
31 PURPOSES OF SECTION 2 OF THIS ARTICLE IF THE REPAIRED OR  
32 REPLACEMENT STRUCTURE IS SIMILAR IN SIZE, UTILITY AND FUNCTION  
33 TO THE ORIGINAL STRUCTURE.

34           B. FOR THE PURPOSES OF THIS SECTION, "QUALIFIED  
35 CONTAMINATED PROPERTY" MEANS ANY REAL PROPERTY THAT MEETS ALL OF  
36 THE FOLLOWING REQUIREMENTS.

37           1. IN THE CASE OF RESIDENTIAL PROPERTY, IS RENDERED  
38 UNINHABITABLE AND IN THE CASE OF NONRESIDENTIAL PROPERTY, IS  
39 RENDERED UNUSABLE AS THE RESULT OF EITHER ENVIRONMENTAL  
40 PROBLEMS, IN THE NATURE OF AND INCLUDING THE PRESENCE OF TOXIC  
41 OR HAZARDOUS MATERIALS, OR THE REMEDIATION OF THOSE  
42 ENVIRONMENTAL PROBLEMS, UNLESS THE EXISTENCE OF THE  
43 ENVIRONMENTAL PROBLEMS WAS KNOWN TO THE OWNER, OR TO A RELATED  
44 INDIVIDUAL OR ENTITY AS DESCRIBED IN PARAGRAPH 4 OF THIS

1 SUBSECTION AT THE TIME THE REAL PROPERTY WAS ACQUIRED OR  
2 CONSTRUCTED. FOR THE PURPOSES OF THIS PARAGRAPH:

3 (a) RESIDENTIAL REAL PROPERTY IS UNINHABITABLE IF THE  
4 PROPERTY, AS A RESULT OF HEALTH HAZARDS CAUSED BY OR ASSOCIATED  
5 WITH THE ENVIRONMENTAL PROBLEMS, IS UNFIT FOR HUMAN HABITATION.

6 (b) NONRESIDENTIAL REAL PROPERTY IS UNUSABLE IF THE  
7 PROPERTY, AS A RESULT OF HEALTH HAZARDS CAUSED BY OR ASSOCIATED  
8 WITH THE ENVIRONMENTAL PROBLEMS, IS UNHEALTHY AND UNSUITABLE FOR  
9 OCCUPANCY.

10 2. IS LOCATED ON A SITE THAT IS DESIGNATED AS A TOXIC OR  
11 ENVIRONMENTAL HAZARD OR AS AN ENVIRONMENTAL CLEANUP SITE BY AN  
12 AGENCY OF THIS STATE OR THE UNITED STATES.

13 3. THE REAL PROPERTY CONTAINS A STRUCTURE OR STRUCTURES  
14 BEFORE COMPLETION OF ENVIRONMENTAL CLEANUP ACTIVITIES, AND THE  
15 STRUCTURE OR STRUCTURES ARE SUBSTANTIALLY DAMAGED OR DESTROYED  
16 AS A RESULT OF THOSE ENVIRONMENTAL CLEANUP ACTIVITIES.

17 4. THE LEAD GOVERNMENTAL AGENCY STIPULATES, WITH RESPECT  
18 TO THE ENVIRONMENTAL PROBLEMS OR CLEANUP, THAT THE PROPERTY WAS  
19 NOT RENDERED UNINHABITABLE OR UNUSABLE BY ANY ACT OR OMISSION IN  
20 WHICH AN OWNER OF THE PROPERTY PARTICIPATED OR ACQUIESCED. IT  
21 IS A REBUTTABLE PRESUMPTION THAT AN OWNER OF THE REAL PROPERTY  
22 PARTICIPATED OR ACQUIESCED IN ANY ACT OR OMISSION THAT RENDERED  
23 THE PROPERTY UNINHABITABLE OR UNUSABLE IF THE OWNER IS RELATED  
24 TO ANY INDIVIDUAL OR ENTITY THAT COMMITTED THAT ACT OR OMISSION  
25 IN ANY OF THE FOLLOWING WAYS:

26 (a) IS A SPOUSE, PARENT, CHILD, GRANDPARENT, GRANDCHILD  
27 OR SIBLING OF THAT INDIVIDUAL.

28 (b) IS A CORPORATE PARENT, SUBSIDIARY OR AFFILIATE OF  
29 THAT ENTITY.

30 (c) IS AN OWNER OF, OR HAS CONTROL OF, THAT ENTITY.

31 (d) IS OWNED OR CONTROLLED BY THAT ENTITY.

32 8. Article XII, section 7, Constitution of Arizona, is proposed to be  
33 amended as follows if approved by the voters and on proclamation of the  
34 Governor:

35 7. County charter provisions

36 Section 7. A. Charter counties continue to be political  
37 subdivisions of this state that exist to aid in the  
38 administration of this state's laws and for purposes of  
39 self-government. Except as otherwise provided in this article  
40 the powers of the legislature over counties are not affected by  
41 this section and sections 5, 6, 8 and 9 of this article.  
42 Charter counties shall provide the same state mandated services  
43 and perform the same state mandated functions as non-charter  
44 counties. Charter counties may exercise, if provided by the  
45 charter, all powers over local concerns of the county consistent

with, and subject to, the constitution and the laws of this state. In matters of strictly local municipal concern, charters adopted pursuant to article XIII shall control in any case of conflict with a county charter adopted pursuant to this article.

B. If a county has framed and adopted a charter and the charter is approved by the governor as provided in this article, the county shall be governed by the terms of its charter and ordinances passed pursuant to its charter. If the charter has been framed, adopted and approved and any of its provisions are in conflict with any county ordinance, rule or regulation relating to local concerns of the counties in force at the time of the adoption and approval of the charter, the provisions of the charter prevail notwithstanding the conflict and operate as a repeal or suspension of the law to the extent of conflict, and the law is not thereafter operative as to such conflict.

C. Notwithstanding article IX, section 1, if proposed and approved in the charter, a charter county may levy and collect:

1. Taxes on a countywide basis to provide services on a countywide basis.

2. Taxes on a specially designated area basis to provide services or special levels of service to that area.

All taxes levied pursuant to this subsection shall be uniform upon the same class of property within the territorial limits of the county or the specially designated area and shall be levied and collected for public purposes only.

D. The decision to include a charter provision authorizing taxation pursuant to subsection C, paragraph 1 or 2 of this section shall be placed on the ballot as separate questions at the election to ratify the charter and must be approved by a majority of the qualified electors voting at the election. The result of the voting on either provision authorizing taxation does not affect the result of the voting to ratify the charter. Charter provisions authorizing taxation pursuant to subsection C, paragraph 1 or 2 of this section may also be proposed by an amendment to the charter pursuant to section 6 of this article.

E. If the authority to tax pursuant to subsection C, paragraph 2 of this section is approved for inclusion in the charter, any new tax proposed by the county under subsection C, paragraph 2 of this section shall be voted on by the qualified electors of the specially designated area. The tax must be ratified by a majority vote of the qualified electors voting at the election.

1 F. A transaction privilege tax, use tax or similar tax  
2 levied by a county pursuant to subsection C, paragraph 1 of this  
3 section:

4 1. May be imposed on only those business activities, or  
5 on the use, storage or consumption, which are subject to the  
6 comparable state transaction privilege tax, use tax or similar  
7 tax.

8 2. Shall provide all exclusion and exemptions provided  
9 by, and administrative provisions consistent with, the  
10 comparable state transaction privilege tax, use tax or similar  
11 tax.

12 G. All taxes levied under subsection F of this section  
13 shall not exceed an aggregate rate of two per cent when combined  
14 with existing taxes levied pursuant to title 42, chapter 8.3.

15 H. If approved in the charter, a charter county may adopt  
16 fees and fee schedules for any county products and county  
17 service delivery it provides in the conduct of any official  
18 business. Notwithstanding any fee schedules or individual  
19 charges provided by state law, the governing body of a charter  
20 county may adopt an alternate fee schedule or individual charge.  
21 Any fee or charge established pursuant to this section shall be  
22 attributable to and defray or cover the current or future costs  
23 of the product or service delivery for which the fee or charge  
24 is assessed.

25 I. Taxes raised under the authority of this section shall  
26 be subject to the provisions of the county property tax and  
27 expenditure limitations pursuant to article IX, ~~sections 19 and~~  
28 ~~SECTION 20 AND ARTICLE IX.I.~~

29 9. The Secretary of State shall submit this proposition to the voters  
30 at the next general election as provided by article XXI, Constitution of  
31 Arizona.